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STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

ORIGINAL  
ILLINOIS  
COMMERCE COMMISSION

2002 SEP 16 P 1:19

CHIEF CLERK'S OFFICE

In the Matter of: )

Illinois Gas Company )

Petition pursuant to §6-102 of the Public )  
Utilities Act seeking authority to further finance )  
indebtedness in the amount of \$32,781.24 )  
to be repaid over a period of time in excess of )  
twelve months, to give security therefore, and to )  
pay the proceeds of such funds received for )  
such indebtedness and determining the fee to be )  
paid pursuant to §6-108 of the Public Utilities )  
Act. )

Docket No.:

02-0603

**PETITION**

To the Illinois Commerce Commission:

Petitioner, Illinois Gas Company ("Illinois Gas", "Petitioner" or "Company"),  
respectfully shows that:

1. It is a corporation duly organized and existing under the laws of the State of Illinois and is engaged in the distribution and sale of natural gas to the public in the State of Illinois.
2. It is a public utility within the meaning of an act entitled, "The Public Utilities Act" (220 ILCS 5/1-101 et. seq.) (the "Act"), now in force in Illinois and is subject to the jurisdiction of this Commission.
3. It has, subject to the approval of this Commission pursuant to §6-102 of the Act, entered an agreement to further finance \$32,781.24 from General Motors Acceptance Corporation for three years at 0% interest. The specifics of said agreement are contained in Exhibit "A" attached hereto and incorporated herein by this reference.
4. The proceeds from this financing, if approved, will allow Illinois Gas to continue to finance, through 2005, the purchase of a vehicle to be used by the Chief Engineer to supervise engineering and construction jobs.

5. As of December 31, 2001, Petitioner has 3,000 shares of common stock authorized and 2,400 shares issued and outstanding on which dividends of \$50,400.00 are current.
6. It has, as of December 31, 2001, the following indebtedness:  
Long Term Debt: (Approved in ICC Docket 00-0132)

<u>Lender</u>	<u>Principal</u>	<u>Rate(%)</u>	<u>Maturity</u>
Community Bank & Trust	\$ 2,200,000.00	8.50%	June 2020
Community Bank & Trust	1,000,000.00	8.50%	June 2020
General Motors Accept Corp	<u>32,781.24</u>	0.00%	January 2005
Total	\$3,232,781.24		

Short Term Debt:			
Community Bank & Trust	\$1,049,894.00	7.75%	June 2002
Community Bank & Trust	800,000.00	5.75%	July 2002
Old National Bank	750,000.00	5.00%	June 2002
Integra Bank	750,000.00	6.25%	January 2002
First National Bank	<u>350,000.00</u>	6.00%	July 2002
Total	\$3,699,894.00		

7. If the loan to continue the GMAC financing is approved by this Commission, the proceeds thereof will be expended as follows:  
Continued financing of a 2002 GMC Yukon
8. The Company will owe a fee pursuant to and payable in accordance with §6-108 of the Act, in the amount of \$65.60 if the financing which is the subject of this Petition is approved by this Commission.
9. In the judgment of Illinois Gas, the financing for which approval is sought by this petition is fair and reasonable, in the best interest of its customers and should be approved by this Commission. It will allow the company to continue the financing through January 2005 at an interest rate of 0%. There were no rebates available at the time of purchase. If this financing is not approved, the company will pay the remaining two years of the outstanding loan off this year using its short term debt with an interest rate of 5-7%.
10. In the judgment of Illinois Gas, the indebtedness as described in paragraph 6 hereinabove was fair and reasonable, in the best interest of its customers and the incurrence of said indebtedness should be ratified by this Commission.

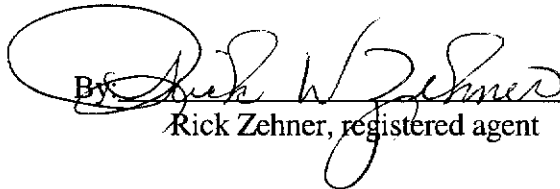
WHEREFORE, Illinois Gas respectfully prays that an Order be entered by this Commission:

1. Authorizing it to further finance their indebtedness from December 6, 2001, in the amount of \$32,781.24 until January 2005 at 0.00% interest.

2. Authorizing it to execute promissory notes for the above indebtedness.
3. Authorizing it to execute and deliver to General Motors Acceptance Corporation the title for the 2002 GMC Yukon, evidencing the lien on said property by General Motors Acceptance Corporation as security for the indebtedness described in subparagraph "A" above.
4. Authorizing it to use the loan proceeds as follows:  
Continued financing of a 2002 GMC Yukon.
5. Determining the amount of the fee to be paid by Illinois Gas Company to this Commission, resulting from the approval of the loan, to be the amount of \$65.60, and ordering payment thereof pursuant to the Act.
6. Approving and authorizing Illinois Gas' performance of such other and further actions or transactions not contrary to the Illinois Public Utilities Act or the Rules and Regulations of this Commission as may be necessary and appropriate to carry out the aforementioned transaction.

Respectfully submitted,

ILLINOIS GAS COMPANY, Petitioner

By:   
Rick Zehner, registered agent

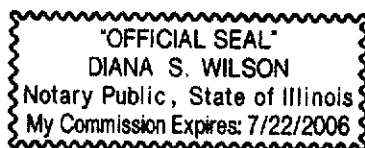
STATE OF ILLINOIS                    )  
  )     SS  
COUNTY OF LAWRENCE            )


**VERIFICATION**

RICK ZEHNER, a registered agent of Illinois Gas Company, being first duly sworn,  
deposes and says he has read the foregoing Petition; that the facts and matters set forth therein are  
true to the best of his knowledge and belief; that he is authorized to execute this Verification on  
behalf of Illinois Gas Company.

  
\_\_\_\_\_  
RICK ZEHNER

Subscribed and sworn to before me, a Notary Public, this 12 day of  
September, 2002.



  
\_\_\_\_\_  
Notary Public